REMARKS/ARGUMENTS

In this Amendment, claims 1, 6, 9, 14 and 25 have been amended. Claims 4, 5, 11, and 15 are canceled. Claims 28 to 33 have been added. No new matter has been added. After entry of these amendments and remarks, claims 1, 3, 6, 8-10, 14, 17-25 and 27-33 will be pending and subject to examination on the merits.

I. Rejection under 35 U.S.C. §112

In the Office Action, claim 25 is rejected as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The Examiner has correctly indicated that claim 25 depends from claim 14. Claim 25 has been amended to reflect this. Applicants respectfully request that the rejection to claim 25 under §112 be withdrawn.

II. Rejection under 35 U.S.C. §103

A. Claims 1, 3, 6, 8, 9, 10 and 14 are rejected under §103(a) as being unpatentable over Ray (United States patent no. 6,018,722), in view of Reese (United States patent no. 6,236,980), further in view of Hoffman (United States patent no. 7,249,080). This rejection is traversed.

1. Obviousness has not been established since each and every limitation of the claim is not taught or suggested by the cited art.

In the previous Office Action dated April 30, 2008, the Examiner rejected claim 2 as being obvious over Ray, Nikolov ("Selected Issues"), and Reese. In response to the Office Action dated April 30, 2008, Applicants amended claim 1 to include the features of claim 2 and submitted an explanation that obviousness has not been established, since each and every limitation of the claim is not taught or suggested by the cited art. Neither Ray, Nikolov, nor Reese, alone or in combination, teach or suggest the feature of giving a reason for making a

recommendation wherein the reason identifies the basis for the recommendation and the basis "correlates to an investment strategy for the client's portfolio."

The Examiner admitted that neither Ray nor Nikolov teach explicitly giving a reason that identifies the basis for recommending that assets be sold. (See Office Action dated April 30, 2008, page 5) The Examiner relies on Figures 4-6 of Reese as teaching the identification of the basis for recommending the sale or purchase of an asset. However, the cited figures only describe a table of recommendations for one specific asset wherein the table is an aggregation of generalized recommendations from sources such as "magazines, online sources, broadcast programs, columns, [and] articles," (See Reese at column 13, lines 59-61). Reese does not tailor specific recommendations based on the investment strategy of an individual client portfolio. Reese is simply a data aggregator displaying generalized recommendations.

By contrast, claim 1 recites the limitation of making a recommendation wherein the basis for the recommendation "correlates to an investment strategy for the client's portfolio." As previously argued, there is no reason for one skilled in the art to modify Ray in view of Nikolov to arrive at the invention of the independent claim. The cited sections of Reese have nothing to do with recommendations tailored to a specific portfolio.

In the current Office Action dated July 17, 2008, the Examiner alleges that claim 1 is obvious in view of Ray, Reese and in further view of Hoffman. However, the limitations that the Examiner cites as taught in Reese in the previous Office Action are the same limitations the Examiner alleges in the pending office as taught by Reese. Furthermore, the Examiner does not allege that the addition of Hoffman remedies the deficiencies of Ray, Nikolov and Reese.

Rather, the Examiner alleges that Hoffman teaches for each of one or more identified assets recommended to be sold, generating a list of alternative client portfolio assets recommended to be sold instead of the identified assets. The Examiner does not allege that Hoffman teaches "wherein the reason identifies the basis for the recommendation and the basis correlates to an investment strategy for the client's portfolio" and does not cite any new passage of Ray or Reese that does teach such a limitation. As such, Applicants request that the Examiner

respond under MPEP §707.07(f) to Applicants' argument in regards to the citation of Reese in the §103 rejections of the previous and pending Office Actions.

Furthermore, to expedite prosecution claim 1 has been amended to recite, *inter alia*, "wherein the plurality of tables includes a first table that lists assets to be sold to achieve a recommended asset allocation and second table that lists assets to sold due to poor ratings." The cited references of Ray, Reese and Hoffman do not teach such a limitation. Since the cited prior references fail to teach each and every limitation of independent claim 1, obviousness has not been established with respect to independent claim 1, and any claims dependent thereon.

For at least these reasons, independent claim 1 and all claims dependent thereon should be allowed. Independent claim 6 and 14, and all claims dependent thereon, comprise similar limitations as discussed above in reference to claim 1, and therefore, for similar reasons, should also be allowed.

2. *Each and every element of independent claim 1 has not been shown to be taught or suggested by the cited references.*

Applicants respectfully submit that the Examiner has failed to point out passages in the cited references, or even which of the cited reference, in which several limitations recited in claim 1 can be found. According to MPEP §706.02(j) the Examiner "should set forth in the Office Action: (A) the relevant teachings of the prior art relied upon, preferably with reference to the relevant column or page number(s) and line number(s) where appropriate." In that the Examiner has failed to indicate where several limitations are to be found, Applicants respectfully submit that the rejection under §103(a) is improper and should be withdrawn.

In particular, no passage is cited as teaching "wherein an asset is recommended to be sold based on one of the following criteria: (1) the asset is recommend to be sold to achieve a recommended asset allocation, (2) the asset is recommended to be sold based on a specific client preference, (3) the asset is recommended to be sold in order to achieve sector diversification, (4) the asset is recommended to be sold based on a poor rating for the asset in the database,

(5) the asset is recommended to be sold in order to reduce concentration in the asset, or (6) the asset is recommended to be sold to realize tax loss harvesting."

Additionally, the Examiner failed to point out, and Applicants have not been able to locate, a passage in the cited references that teaches "wherein the basis correlates to an investment strategy for the client's portfolio." Without proper reference to a particular teaching in a particular reference, it is impossible for the applicant to respond to the rejection or explain the differences between the claimed invention and the reference, let alone address whether the combination of the cited references is proper.

For at least these reasons, the rejection of claim 1 under §103 should be withdrawn. Independent claims 6 and 14, and all claims dependent thereon, comprise similar limitations as discussed in reference to claim 1, and therefore, for similar reasons, should also be allowed.

3. *The rationale cited for combining Ray, Reese and Hoffman in a §103 rejection utilizes impermissible hindsight and therefore should be withdrawn.*

Applicants respectfully submit that the motivation to make the modifications of Ray in view of Reese and Hoffman are the result of applying hindsight to articulate a logical rationale for combining the cited references. Reconstruction of what was known to a person of ordinary skill in the art at the time of the invention using hindsight is improper. According to MPEP §2142 "[t]he tendency to resort to hindsight based on the applicant's disclosure is often difficult to avoid due to the very nature of the examination process. However, impermissible hindsight must be avoided and the legal conclusion must be reached on the basis of facts gleaned from the prior art."

In the Office Action, the Examiner alleges that the rationale to combine Ray and Reese is "for increased transparency." However, in the context of the cited references, transparency is not an issue. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). Executing

a word search on both Ray and Reese for the words "transparency" and "transparent" yields no results. Rather, the rationale for increased transparency is found in the application as originally filed.

For example, on page 8 in lines 8-23, the Application describes that "the rebalancing engine is designed to be transparent and intuitive, mimicking the way a human being might solve a portfolio problem." Because the rationale for combining Ray and Reese can only be found in the Application as filed, and not in the cited references, the articulation of "increased transparency" is an example of impermissible application of hindsight to determine what would have been obvious to a person of ordinary skill in the art at the time the invention was made. As such, the combination of Ray and Reese is improper and the rejection of claim 1 under §103 should be withdrawn.

B. Claims 4, 5, and 11 are rejected under §103(a) as being unpatentable over Ray in view of Reese, and further in view of Bove (United States patent no. 7,149,713). These rejections are traversed.

Claims 4, 5 and 11 have been canceled. The limitations of claims 4 and 5 have been incorporated into currently amended claim 1 and the limitations of claim 11 have been incorporated into currently amended claim 6.

C. Claims 15 and 21-22 are rejected under §103(a) as being unpatentable over Ray, in view of Reese, further in view of Hoffman, and further in view of Sloan (United States PG-Pub 2002/0147671). These rejections are traversed.

Claims 15 and 21-22 depend from independent 14 which comprises allowable subject matter, as discussed above, and therefore should also be allowed.

D. Claims 1, 3, 6, 8, 9, 10 and 14 are rejected under §103(a) as being unpatentable over Ray, in view of Reese, further in view of Hoffman, and in further view of Official Notice. These rejections are traversed.

Section 5 on page 12 of the currently pending Office Action, states that the claims 1, 2, 6, 8, 9, 10 and 14 are rejected under §103(a) as being unpatentable over Ray, in view of Reese, further in view of Hoffman, and in further view of Official Notice. However, in the following passages of the Office Action, the Examiner only discusses claim 27 and cites only Ray, Bove and Official notice as the cited references. Applicants assume that this rejection only refers to claim 27.

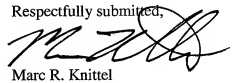
Pursuant to MPEP 2144.03, Applicants challenge the Examiner's taking of Official Notice in each and every instance that this is done in this Office Action and in future Office Actions. Applicants further request that the Examiner find a prior art reference to support an allegation that a feature that is present in the claims is "well known." If such feature is in fact "well known" in the art, then it should not be too burdensome for the Examiner to find and cite such references. Even if the Examiner can find a reference teaching an element for which Office Notice is taken, the reference may not be combinable with the other cited references or may teach away from the combination. Thus, Applicants cannot determine if the Examiner has satisfied his burden of establishing obviousness, unless prior art is cited to meet the claim limitations.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,



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